VZCZCXRO8666 PP RUEHAG DE RUEHCV #2392/01 2232126 ZNY CCCCC ZZH P 112126Z AUG 06 FM AMEMBASSY CARACAS TO RUEHC/SECSTATE WASHDC PRIORITY 5817 INFO RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY RUEHBO/AMEMBASSY BOGOTA PRIORITY 6891 RUEHBR/AMEMBASSY BRASILIA PRIORITY 5702 RUEHBU/AMEMBASSY BUENOS AIRES PRIORITY 1397 RUEHLP/AMEMBASSY LA PAZ PRIORITY 2262 RUEHPE/AMEMBASSY LIMA PRIORITY 0507 RUEHMU/AMEMBASSY MANAGUA PRIORITY 1406 RUEHME/AMEMBASSY MEXICO PRIORITY 3952 RUEHQT/AMEMBASSY QUITO PRIORITY 2347 RUEHSN/AMEMBASSY SAN SALVADOR PRIORITY 0973 RUEHSG/AMEMBASSY SANTIAGO PRIORITY 3703 RUEHAO/AMCONSUL CURACAO PRIORITY 0951 RUEHGL/AMCONSUL GUAYAQUIL PRIORITY 0589 RUCNDT/USMISSION USUN NEW YORK PRIORITY 0434 RHEHNSC/NSC WASHDC PRIORITY RUMIAAA/HQ USSOUTHCOM MIAMI FL PRIORITY RUEHUB/USINT HAVANA PRIORITY 0919

C O N F I D E N T I A L SECTION 01 OF 03 CARACAS 002392

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TAGS: PGOV KDEM VE

SUBJECT: MANUEL ROSALES: CREDIBLE CANDIDATE, UNLIKELY WINNER

REF: CARACAS 001662

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Classified By: CDA KEVIN WHITAKER, REASONS 1.4 (B) AND (D)

 $\underline{\mathbf{1}}$ 1. (C) Summary. Zulia Governor Manuel Rosales was named the opposition unity candidate for the December 3 election on August 9. Rosales is an experienced and tested politician who has secured the broad support of a significant portion of Venezuela's fractious opposition, is a serious presidential candidate and the opposition's best political hope for a future. Nevertheless, in the near term, Rosales is a bigger threat to President Chavez's goal of polling 10 million votes than he is to actually winning the December 3 vote. Chavez begins the election campaign with a considerably stronger following in the polls. He also will continue to make his administration an effective extension of his campaign. the moment, Rosales's candidacy ironically lends some credibility to an uneven electoral playing field. The BRV, however, is unlikely to allow Rosales to gather too much strength and may readily squander such credibility in favor of electoral certainty via the judicial and administrative tools at its disposal. End Summary.

Rosales to the Fore

12. (C) The August 9 announcement by most of Venezuela's opposition camps to support Zulia Governor Manuel Rosale

opposition camps to support Zulia Governor Manuel Rosales as the opposition's consensus presidential candidate was a rare, but significant, showing of opposition unity. Flanked by former competitors Julio Borges and Teodoro Petkoff, as well as some minor candidates, Rosales launched his campaign with an acceptance speech focused on national reconciliation. Rather than attack the Chavez government directly or harp of electoral problems, the Zulia governor outlined his own political program, including an unemployment compensation

plan, a scheme for sharing oil revenues with needy Venezuelans, and the de-politicization of the BRV's social missions. On foreign policy, Rosales merely mentioned his commitment to promoting peace and also added that he would not spend money arming for "invented" threats.

¶3. (C) As one of only two opposition governors in Venezuela, Rosales brings considerable political experience and credibility to the campaign. Recent polls consistently supported the Rosales camp's claim that the Zulia governor enjoyed the most public support of any opposition candidate and helped convince both Petkoff and Borges to withdraw before the (now canceled) August 13 opposition primary. Borges is expected to be named Rosales' vice-presidential candidate and Petkoff will actively campaign on behalf of Rosales. A Borges campaign manager told poloffs that Rosales and Borges have complementary demographic strengths: Rosales runs strong in the west and among older voters; Borges runs strong in the east and among younger voters. Rosales is widely considered smooth and charismatic, but he is nowhere near as effective a speaker as Chavez.

An Uphill, Uneven Battle

¶4. (C) Despite the decent start, Rosales faces a number of serious obstacles in the run-up to the December 3 presidential election, including Chavez's continued political dominance. According to an early August national DATOS poll commissioned by the opposition, 47 percent of voters intend to vote for President Chavez. Rosales polled only 17 percent. Asked to respond to the phrase "Rosales would govern better than Chavez," 56 percent disagreed, and only 29 percent concurred. Opposition strategists are already

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assuming that most public support for Chavez is fragile, not firm. They are also betting that Rosales can pick up the lion's share of Venezuela's still large undecided vote (more than 20 percent in the DATOS poll).

- ¶5. (C) Chavez enjoys all the advantages of the state machinery and can be expected to continue to blur the lines that should separate his administration from the campaign (reftel). More specifically, Chavez will:
- -- use public officials to muster the pro-Chavez vote;
 -- continue to spend public moneys liberally to court likely supporters;
- -- exploit free air-time on both state and private media outlets:
- -- enjoy the advantages of a stacked electoral registry; and,
 -- call on the politicized electoral commission (CNE), as
 needed.
- Chavez also benefits from the widespread impression that one's vote is not secret, and that the BRV will exact retribution against those who oppose it. The campaign organization efforts of the Rosales camp to date have been, by comparison, unimpressive.
- 16. (C) Although even a relatively united opposition cannot hope to match the formidable Chavez vote machine, it can be expected to continue to try to expose government abuses during the campaign. Most significantly, the CNE has not yet ruled on whether voters will have to submit to a fingerprint scanning, a measure that fosters public doubt about the secrecy of balloting. The CNE also has only agreed to count manually roughly 53 percent of the ballots. The CNE recently ruled that there will be no overall campaign limits, but may seek to enforce other election campaign regulations. These regulations exempt Chavez from any limits on his weekly "Alo Presidente" broadcasts. Criticism of the government's undermining of democratic institutions may not, however, resonate more broadly among an electorate that consistently lists crime, unemployment, housing, and other economic problems as their biggest concerns.

17. (C) Looking internally, Rosales's consensus candidacy is a patchwork of instinctively fractious political camps with a longer track record of political mistakes than much tangible success. The opposition unity achieved this week was not easily achieved and will not easily be maintained. Moreover, Rosales still needs to convince the leaders and rank-and-file of Venezuela's Accion Democratica Party to abandon its absentionism policy in favor of his candidacy. Additionally, comedian/politician Benjamin Rausseo ("El Conde de Huachero") remains a maverick in the race who continues to attract a small, but not insignificant, group of potential voters. Rausseo says he will support Rosales if he still trails him in the polls in November. Other minor candidates, such as Roberto Smith, also continue to run and may distract from Rosales's message.

Rosales's Vulnerabilities

¶8. (C) For the moment, the Chavez camp has refrained from lashing out against Rosales and may be focusing instead on Chavez's launch of his own re-election campaign in the coming days. One pro-Chavez National Assembly member told poloff confidently that the Chavez camp welcomes Rosales' participation, noting that the government wants a credible election with good voter turnout. In that context, it is not surprising that the CNE ruled initially that Rosales could take a leave of absence from the governorship of Zulia to run for office. Nevertheless, as the campaign heats up in the coming months, the Chavez campaign can be expected to turn up the heat significantly, particularly if Rosales proves to be

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"too credible" a candidate. The CNE could, for example, review its ambiguous, initial decision allowing Rosales to run for president without giving up the governorship of Zulia.

19. (C) The Chavez government already has a history of targeting Rosales, even before he was a presidential candidate. In March, the Attorney General suggested he might pursue formal accusations against the Zulia governor for his involvement in the short-lived Pedro Carmona government. If the Supreme Court were to lift Rosales's immunity as governor, the government could pursue politically motivated charges during the election campaign. Earlier the same month, Chavez publicly accused Rosales of conspiring with the USG to foment a Zulia "separatist movement." In January, Maracaibo Mayor Gian Carlo Di Martino accused Rosales of traveling to Bogota to plot a coup.

Comment

110. (C) The decision of most opposition parties to support Manuel Rosales as the consensus candidate was their best possible option, but was never a foregone conclusion among the divided opposition. Rosales now has a real opportunity to capitalize on this rare unity to mount a meaningful presidential campaign. Even while opposition insiders are predicting Rosales's almost certain defeat, they at the same time preserve the (forlorn) hope that a more effective opposition before December 3 can also be a more effective check and balance on the Chavez government after Chavez's re-election. A strong Rosales campaign can also test and expose the authoritarian nature of the Chavez government.

WHITAKER